

## **BILL ANALYSIS**

C.S.H.B. 4801  
By: Hernandez  
County Affairs  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Harris County Improvement District No. 15 is located in the extraterritorial jurisdiction of the City of Houston in Harris County. The district will be a municipal management district similar to those operating pursuant to provisions for municipal management districts under Chapter 375, Local Government Code, and for development and improvement districts under Title 4, Special District Local Laws Code.

C.S.H.B. 4801 creates Harris County Improvement District No. 15 as a political subdivision of the State of Texas to administer and provide funding for economic development projects and services in the district.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 4801 amends the Special District Local Laws Code to create Harris County Improvement District No. 15. The bill sets forth provisions relating to the nature of the district, the purpose of the district and a declaration of intent, findings of public purpose and benefit, the initial district territory, the eligibility for inclusion in special zones, the applicability of municipal management districts law, and the liberal construction of the provisions establishing the district. The bill sets out provisions relating to the composition of the board of directors, the directors' terms, appointment of directors, compensation, nonvoting directors, requirements for a quorum, and specifies the initial voting board members: Dan Arnold, Kirk Pfeffer, David Dacote, Jim Casey, Steve Alvis, Gregory D. Compean, and Ramon Garza.

C.S.H.B. 4801 sets out the powers and duties of the district relating to maritime improvement and operations powers, the exercise of the powers given to a development corporation, the creation of a nonprofit corporation to assist and act for the district in implementing a project or providing a service, agreements and grants, contracts with law enforcement, membership in charitable organizations, economic development programs, strategic partnership agreements, and annexation or exclusion of territory by the district. The bill prohibits the district from exercising the power of eminent domain.

C.S.H.B. 4801 sets forth provisions relating to a public transit system, parking facilities, the operation of parking facilities by a private entity, and the financing of a public transit system or parking facilities. The bill authorizes the district to adopt rules covering its public transit system or its public parking system.

C.S.H.B. 4801 sets forth general financial provisions relating to disbursements and transfers of money, money used for improvements or services, a required petition for financing services and

improvements with assessments, the method of notice for hearing, assessments and liens for assessments, the exemption of certain utility property from impact fees and assessments, an operation and maintenance tax, contract taxes, district authority to borrow money and issue bonds, taxes for bonds, elections regarding taxes and bonds, competitive bidding, and tax and assessment abatements.

C.S.H.B. 4801 sets forth provisions relating to taxes for certain defined areas and designated property for the authority to establish defined areas or designated property, for election procedure and declaring the result and issuing an order, for taxes in defined areas or designated property for services, improvements, and facilities, and for the issuance of bonds and the imposition of taxes for a defined area or designated property. The bill sets out provisions relating to municipal annexation and dissolution.

C.S.H.B. 4801 sets forth a metes and bounds description of the initial boundaries of the district and defines "port authority" to mean the Port of Houston Authority of Harris County, Texas. The bill defines "board," "director," and "district."

#### **EFFECTIVE DATE**

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 4801 adds a provision not in the original specifying a seventh initial voting director of the Harris County Improvement District No. 15. The substitute differs from the original by including a person who owns land in the district among the persons required to comply with the applicable legislative or regulatory acts or policies of the port authority relating to facilities and improvements of the Houston Ship Channel.

C.S.H.B. 4801 removes a provision in the original exempting the district's public parking facilities from payment of taxes. The substitute omits a provision in the original exempting the district from provisions encouraging the full participation of disadvantaged businesses in all phases of its procurement activities.